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UNCLAS SECTION 01 OF 02 KATHMANDU 000964

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SENSITIVE

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SUBJECT: UPDATE: ATTACKS ON INFRASTRUCTURE

REF: A. (A) KATHMANDU 0696
B. (B) KATHMANDU

¶1. (U) Nearly 4,000 people--civilians, military, police and insurgents--have been killed in Nepal's six-year-old Maoist insurgency to date. According to Ministry of Defense figures, more than 10 percent of that number--572--were killed in the first half of May alone. (Note: MOD figures, especially regarding Maoist casualties, are notoriously unreliable. In our calculations, we have always taken their lowest estimate. End note.) Countless more have been injured, maimed for life, or have fled their homes. To our knowledge, there has been no calculation of the economic impact of this loss of life, limb, and manpower.

¶2. (SBU) Besides the mounting human toll of lives lost in the six-year-old Maoist insurgency, the cost of Maoist-inflicted damage to Nepal's fragile infrastructure continues to climb (Ref A). While destroying rural infrastructure might seem to contradict the Maoists' purported pro-poor ideology, the attacks likely serve other purposes for the insurgents, i.e., isolating already remote, underserved areas in the far west; intensifying already substantial budgetary pressure on the Government of Nepal (GON); and forcing the Royal Nepal Army (RNA) to divert already insufficient troops from the battlefield to the protection of key infrastructure.

¶3. (U) The attacks, which typically target and disable small, village-level projects, have increased in frequency over the past several months, threatening to set back years of development progress in this impoverished nation. Another typical tactic is the robbery and destruction of local branches of the state-owned Agricultural Development Bank, which provide credit for micro-enterprise schemes for rural residents in the hinterlands. The Ministry of Finance estimates just the cost of repairing damaged infrastructure alone at about USD 100 million (Ref B)--money that the Ministry will be hard pressed to find. As a result, many of the disabled projects are likely to remain so indefinitely. Many observers view the attacks as part of a deliberate Maoista plan to cut off districts from communication with other parts of the country, isolating them from government contact.

¶4. (U) Hydropower: Since January, nine hydropower facilities, both donor and community supported, have been damaged or destroyed, leaving more than 125,000 people without electricity. Many of these were micro-generation and community-built schemes, but two larger projects, the USD 20 million 12 MW Jhimruk hydropower project in Pyuthan district and the 5 MW Andhikhola project in Syangja district, were also badly damaged. Another casualty: the salaries of workers employed at some of these small projects. At least 90 employees at plants destroyed in Bhojpur, Khandbari, Phidim, Jomsom, Darchula, Bajhang, Taplejung, and Tehrathum are losing their jobs.

¶5. (U) Telecommunications: The Maoists have also destroyed more than three dozen telecommunications towers, primarily in the west, the repair of which will cost the state-owned Nepal Telecommunications Corporation more than USD 25 million. Damage to repeater towers, terminal towers and VHF towers have completely cut off the far-western districts of Achham, Bajura, Darchula, and Bajhang, while nearly all of the lines in Doti, Baitadi, Dadeldura, and Kailali have also been cut.

¶6. (U) Airports: 13 district airports--again, nearly all located in the west--are non-operational because of damage sustained during Maoist attacks. Among the districts thus cut off from commercial air transport are Achham, Rukum, Darchula, Bhojpur, Dolpa, Bajura, Kailali, Baitadi, Khotang, Bajhang, and Jajarkhot. Repair costs are estimated at USD 1.7 million.

¶7. (U) Local Government: About one-third of Nepal's 3,900 Village Development Committee buildings have been destroyed, many of them burned to the ground. Over 250 rural post offices have been similarly destroyed.

¶8. (U) Banks: To date, Maoists have robbed a total USD 4.2

million from various bank branches. In addition, the insurgents have destroyed 132 branch offices of the Agricultural Development Bank; 17 offices of the state-owned Rastriya Bankijja Bank; and 13 offices of Nepal Bank Limited.

The dwindling presence of financial institutions in the hinterlands has also affected development projects that rely on local banks for cash disbursements.

19. (U) Bridges and Roads: Attacks on bridges (Ref A) and roads continue. An attack on a bridge in Surkhet District has left members of dozens of communities without access to neighboring districts, while damage done to three different suspension bridges in Mugu cut off a number of VDCs from the district headquarters. In a turnabout of usual events, local residents near Nepalganj forced suspected insurgents who had destroyed a suspension bridge to repair the damage. According to press reports, it took nine cadre five days to fix the damage. Work on 12 road projects covering 418 km in far-western Nepal has been suspended because of the violence, affecting 4 million people.

10. (U) Water: On April 15 in Dhading District, Maoists cut off the water supply pipelines and dismantled the intake system, depriving an estimated 10,000 people of drinking water. On April 22 Maoists set fire to the district water supply office in Sindhupalchowk district. An April 23 attack on the Bijauri Drinking Water Project in Dang District has deprived nearly 25,000 people of potable water. About 30 meters of pipes were completely destroyed, while another 1,000 meters were carted off, along with 20 kg of lead and 500 sockets, presumably to be used as ingredients for improvised explosive devices. On April 26, a Maoist socket bomb exploded at an irrigation project in Tanahu, injuring a four-year-old child.

11. (SBU) Comment: There are various theories as to why the Maoists are now targeting infrastructure--especially infrastructure that benefits the poorest of the poor in some of the remotest districts in Nepal. Some observers speculate that the attacks reflect just how desperate the Maoists have become. Some suggest the attacks are intended to increase the general misery index, increasing pressure on the GON to come to the negotiating table. Others say that the destruction marks the next progression in the insurgents' revolutionary game plan. Certainly some of the devastation does seem intended to isolate large parts of the far-west of the country, and to deprive those residents of the few government-provided services available in these remote reaches. Such tactics have also forced the RNA to divert already scarce manpower to protect key infrastructure--including 75 district headquarters. The Maoists may not be winning many hearts and minds with this vicious new approach, but they don't seem to care. Apparently for them, keeping the RNA stretched thin and the GON unable to ensure basic services to its citizens is a more important goal.

MALINOWSKI